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LEGISLATIVE COUNCIL

COUNCIL
TO MEET
JANUARY 25

The Legislative Council will meet January 25. The primary item on the agenda is preliminary screening of applicants for the Executive Director position.

BICENTENNIAL
REPORT

The final report of the Bicentennial Commission is enclosed for your information by request of the Governor's office.

INTERIM SUBCOMMITTEES

WATER RIGHTS

The Subcommittee on Water Rights met December 10 to plan a series of public hearings to be held throughout the state. The committee wants to give concerned citizens a chance to comment on problems with the present adjudication system and what might be done to improve it. Hearings have been scheduled for January 30 in Livingston, February 3 in Miles City and Hamilton, February 4 in Dillon, and February 24 in Kalispell. The subcommittee also plans to attend a Water Law Short Course in Billings on January 31 through February 2. This course will acquaint the committee with law and federal policies concerning water quality and in stream flow considerations.

HUMAN
SERVICES

The Human Services Committee met December 2 and reviewed a discussion draft on the reorganization of the human services delivery system. A committee discussion draft reflecting modifications directed by the committee has been prepared and widely circulated. The proposal, which creates a Department of Human Services and a Department of Corrections, abolishes the Department of SRS and the Department of Institutions, and modifies other departments, is designed to elicit serious comment from the executive branch and interested persons. A hearing on the proposal has been scheduled for February 10 in the auditorium of the SRS building.

STATE LEGAL
SERVICES AND
ELECTION LAWS

The Subcommittee on State Legal Services and Election Laws will hold its third meeting on Saturday, February 11, 1978 in the governor's Reception Room of the Capitol in Helena. The meeting previously scheduled for January 7 was canceled. The committee plans to consider the first draft of a revised election code, appoint a subcommittee, and schedule a meeting to "mark up" the draft of a revised election code. The committee will also review the progress of a study of attorneys working for the executive branch of state government.

LOCAL
GOVERNMENT
LAWS

The Subcommittee on Local Government Laws met in Kalispell December 16 to continue its comparison of existing local government laws and the proposals contained in HB 122. The committee will meet January 14 in Havre at Northern Montana College to consider chapter 9 - Local Government Finances. This meeting will focus on such subjects as local government revenues, local option taxes, mill levies, finance administration, budget cycle, internal control and bonded indebtedness. February 17 the committee plans to meet to complete the detailed study of HB 122.

EDUCATION

The Subcommittee on Education plans to meet January 21 in Helena. At the meeting members will discuss the legal status of the Veterans and Pioneers Memorial Building and further reports on Vocational Technical Center governance.

ADMINISTRATIVE CODE COMMITTEE

MEETING HELD
DECEMBER 2

The Administrative Code Committee met December 2, 1977 to review administrative rules noticed or adopted in October and November. The committee discussed a need for renoticing rules in the register to allow comments when substantive amendments have been made in proposed rules. The possibility of a more detailed statutory treatment of informal disposition of contested cases was also discussed. The committee offered to work with the Department of Social and Rehabilitation Services to clarify the authority of that department to adopt rules for certain programs. The energy code for building construction proposed by the Department of Administration was given preliminary approval with the staff instructed to monitor hearings and comments. The committee meets again on February 1, 1978.

NEXT MEETING
FEBRUARY 1

DUAL TAX OVERSIGHT COMMITTEE

MEETING SCHEDULED JANUARY 27 AND 28

The Coal Tax Oversight Committee will hold a two-day meeting in Helena January 27 and 28. On the 27th, the Committee will receive progress reports on the renewable resources and alternative energy programs and meet with the Coal Board to discuss the coal import grant program. The Committee will meet with the Legislative Finance Committee and the Coal Board for further discussion of coal import grants on January 28.

REVENUE OVERSIGHT COMMITTEE

COMMITTEE TO MEET JANUARY 21

The Revenue Oversight Committee will meet January 21 in Helena to hear a Department of Revenue report on the taxation of financial institutions and a resume of the current court case on the existing bank tax. The Committee will also continue its analysis of the gross proceeds tax on copper, comparing the total tax on copper production in other states. As part of its oversight role, the Committee will discuss proposed new administrative rules and pending court cases, particularly the recent challenge of the coal severance tax.

ENVIRONMENTAL QUALITY COUNCIL

EQC HIRES NEW STAFF MEMBERS

The Environmental Quality Council has hired two staff members to better enable it to work on environmental issues for the legislature. Bill Harbrecht has a masters degree in Public Health and formerly worked for the Department of Health and Environmental Sciences. Duane Noel formerly worked for Wirth Associates, a consulting firm in Billings, and recently completed a masters degree in Ecology and Soils at MSU.

BPA-RELATED WORK

The EQC staff is presently working on energy issues related to the Bonneville Power Administration's future role in Montana's energy development and power supply. Federal legislation has been introduced which would significantly change BPA's activities in the Northwest. Legislators wishing more information should contact EQC at Capitol Station, Helena 59601.

EQC BEGINS EVALUATION OF EIS PROCESS

The EQC staff met with executive branch individuals who are responsible for preparing environmental impact statements. Major topics included how the EIS process is working and possible ways it can be improved. Although there was general agreement that the process was working well, problems were identified which EQC will be working on in the coming months.

LEGISLATIVE AUDIT COMMITTEE

COMMITTEE MEETING	The Legislative Audit Committee met on December 5, 1977, at the State Capitol and is scheduled to meet again in February.
REPORTS ISSUED	Financial/compliance audit reports received, reviewed, and filed by the Legislative Audit Committee were: Board of Investments and Pine Hills School. (Both audits were conducted by certified public accountant firms.)
FIXED ASSETS	The committee expressed concern about the control of fixed assets in state government and requested that Jack Crosser, Director, Department of Administration, brief the committee on progress being made in this area. Mr. Crosser explained that the Accounting Policy Council has been reviewing this subject and a system has been designed to record all fixed assets. It is expected that this system will be ready for input by the agencies by the middle of July 1979.
MONTANA STATE UNIVERSITY	Chairman Gerke met with President Tietz at Montana State University to discuss procedures to be used in reviewing the operations of the Agricultural Experiment Stations.
SUNSET AUDITS	As previously reported, the Legislative Audit Committee and Legislative Auditor are currently engaged in "Sunset" audits of a number of state professional and occupational licensing boards. Legislators desiring further information about the "Sunset" process and the audits in progress may contact the Legislative Auditor, Morris Brusett.
REPORTS AVAILABLE	Copies of all audit reports are available from the Office of the Legislative Auditor, Room 135, State Capitol, telephone 449-3122.

LEGISLATIVE CONSUMER COMMITTEE

MEETING HELD DECEMBER 16	The Legislative Consumer Committee had a regular meeting on December 16, 1977. Among other decisions made was to authorize the hiring of experts on electric utility rate structure in the event the Public Service Commission wishes to take another look at Montana Power Company's rate structure as a result of a recent court order. The Consumer Counsel was also authorized to hire two expert witnesses in two major water rate cases.
COURT ACTIVITY	Since the last report, the District Court in Helena handed down a decision to the effect that, with one obscure exception, the Commission does not have jurisdiction over municipal sewer rates.

The Consumer Counsel was instructed to intervene in defense of the Public Service Commission in a case filed by the Milwaukee Railroad challenging the constitutionality of R.C.M. 1947, 72-627.

MILWAUKEE
FILES
NOTICES OF
ABANDONMENT

The Milwaukee Railroad has filed notices of abandonment with the Interstate Commerce Commission targeting two sections of line in Montana, both approximately 40 miles long. The Consumer Counsel was authorized to defend against abandonment of the line from Three Forks to Bozeman and Bozeman to Hot Springs.

Action was taken on staff salaries and finances of the office.

LEGISLATIVE FINANCE COMMITTEE

FINANCE
COMMITTEE
MEETING
SCHEDULED
JANUARY 28

The Legislative Finance Committee will hold a joint hearing with the coal tax oversight committee on Saturday, January 28. The hearing will be to discuss with the coal board its present policies relating to allegations of coal impact funds.

The finance committee is also scheduled to hear testimony concerning faculty cutbacks at the University of Montana.

INDIAN LEGAL JURISDICTION

MEETINGS
TO BE
SCHEDULED

The Committee on Indian Legal Jurisdiction has run into some communication problems in making arrangements for the mandated public hearings. However, progress is being made on the Fort Belknap hearing to be held in late January or early February. All legislators will be notified of each hearing.

MISCELLANEOUS

POLICE CHIEF
RESOLUTION
RECEIVED

The Legislative Council has received a copy of a resolution from the International Association of Chiefs of Police, Inc. addressed to members of the Legislature. The purpose was to inform you that the association supports federally endorsed crime prevention programs.

Further Information: For further information on any item in this newsletter, please contact the Legislative Council Office or the specific legislative agency involved.



